

TO: THE EXECUTIVE
10 MAY 2016

AWARD OF MAIN AND AQUATIC CONTRACT FOR CORAL REEF ENHANCEMENT
Director of Environment, Culture & Communities

1 PURPOSE OF REPORT

1.1 To award contracts for the expenditure in two areas -

- The main construction contract for the enhancement of Coral Reef
- The aquatic package associated with the main construction contract

2 RECOMMENDATION

2.1 That subject to a supplementary capital approval, the Executive award the main contract for Coral Reef to Tenderer B in the confidential annexe;

2.2 That subject to a supplementary capital approval, the Executive award the aquatic package to Van Egdome BV.

2.3 That the Executive recommend to Council that a supplementary capital approval of £1,379,000 be provided for the Coral Reef repair and improvement project.

3 REASONS FOR RECOMMENDATION

3.1 To enable the enhancement of the Coral Reef facility in line with 'People live active and healthy lifestyles' strategic theme in the Council Plan.

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 A range of options have been explored previously which have included no refurbishment; modest investment over a number of years; prospect of on-going repairs to the roof structures; different combinations of flumes and roof repairs or replacement; deferral of full demolition and full and part demolition. The current proposal of enhancement is considered the most appropriate course of action and in the best interests of the Council.

5 SUPPORTING INFORMATION

5.1 Coral Reef Waterworld is an iconic leisure pool/flume complex located to the south of Bracknell town at the junction of the A322 and Nine Mile Ride. The facility was opened in October 1989 and has evolved to become a major landmark for the borough and undoubtedly helped put Bracknell Forest Borough and Bracknell Forest Council "on the map". Since opening it has served an estimated 10 million customers and has taken income of about £50m. It is therefore a very big and popular leisure attraction for local people and day tourists.

5.2 The current facility consist of a main leisure pool, a flume complex comprising 3 flumes, sauna suite including unique steam room, changing accommodation and

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catering provision. Outside there is a large car park with c. 220 spaces. The wet side capacity is 600. During many weekends and day time periods in the school holidays the facility operates to capacity typically with long queues.

- 5.3 The enhancement project has its roots in the significant roof repairs that were required to be undertaken in 2012/13. The monitoring and maintenance regime highlighted that extensive regular preventative maintenance would be required for a number of years potentially leading to a disruptive service for customers. Members felt this was an unacceptable way forward for a prestigious facility and asked that an enhancement project be developed for consideration.
- 5.4 Consequently, the enhancement project consists of:
- i. New roof over main pool hall and repair of ancillary roofs
 - ii. Five new flumes within a new flume tower
 - iii. Major refurbishment of changing facilities; toilets; reception area; café; reception area (but no construction works), Sauna World and Lazy River
 - iv. Planned preventative maintenance of key plant and equipment
- 5.5 The Council has maintained a steady stream of preventative maintenance over the years and there has been some improvement works including an extension to the changing village and a new spa in Sauna World but in general Coral Reef is not dissimilar to when it opened. While the Council can take great credit in still presenting an attractive leisure offer, there is little doubt that such a well-used facility operating in such a humid environment is not capable of functioning for a further 25 years without investment. In particular, the pool hall roof structures and flumes are now at the end of their practical lifespan and need to be replaced.
- 5.6 Rather than just focus on a roof replacement, the Executive therefore asked that an enhancement project to improve the leisure offer was developed and that included a significant improvements of the building. A capital requirement of £11,230,000 was approved in Q1 2014 with the specific intent to add a relevant percentage inflationary increase, to mid point of construction, when the contract was awarded. This is the established process of how projects of this size, complexity and length are managed within the Council.
- 5.7 In order to develop the main contract design and tender documents it was necessary to tender the aquatic package first during Q1 of 2015. Without certainty of the final flume design the main contract could not be finalised due to the integration of the flumes and associated plant with the flume tower, and related services. Due to the extremely specialist flume market the Council worked with their managing partner, Atkins, and their aquatic consultants to identify four potential suppliers globally who were all approached to submit a tender. Due to the contract being below the OJEU threshold for works the tender was advertised on the South East Business Portal although this attracted no additional bids, and in parallel, a voluntary OJEU Contract Notice was placed as a matter of good practice and to ensure a fully transparent process. Neither of these advertisements attracted any additional bidders.
- 5.8 Following evaluation and interviews a letter of intent was granted on the 21st April to the preferred supplier, Van Egdome BV, in order for them to develop the designs which would be included in the main contract procurement documents. The formal contract award of the aquatics package is therefore included in this paper alongside the main contract. The aquatics package will be a nominated sub-contract of the main contractor.

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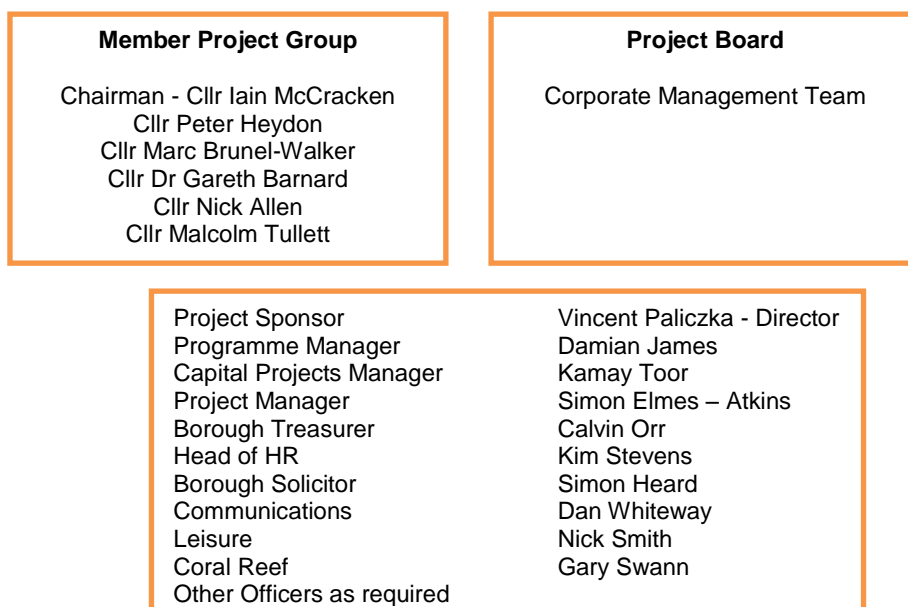
5.9 In parallel with the aquatics tender a pre qualification questionnaire (PQQ) process was undertaken in relation to the main contract. The initial deadline for submission was the 20th March 2015. Due to a limited first response the PQQ process was extended with a new deadline of 22nd May 2015. This extended timetable still allowed sufficient time to develop the main contract designs (integrated with the aquatic designs) between June and September in order to receive tender responses by October 2015. Successful companies from the PQQ stage for the main contract were invited to tender.

5.10 The initial main contract tender timetable is shown below -

	Event	Date
1	Deadline for return of PQQ	20 th March 2015
2	Despatch of ITT	August 2015
3	Return of Tenders	October 2015
4	Award of Contract	December 2015
5	Mobilisation and Enabling Works	December 2015
6	Construction Phase	January 2016

5.11 The main contract shortlisted companies raised a number of queries in relation to the documents specifically around the liabilities and the tender response time. In order to progress, the tender process was paused and the team met with each of the potential suppliers to fully understand their concerns. As a result of these meetings, revisions were made to a number of documents and the tender period was restarted with an extended closing date of the 8th March 2016. Suppliers requested five further weeks of extensions during the tender period and it finally closed on the 11th April 2016.

5.12 Due to the scale, budgetary implications and prominence of the Coral Reef project it is recommended that the following governance structure is implemented following Council approval of the project.



- 5.13 The complexity and uniqueness of this project combined with a period of significant growth for the construction industry means that delays have been incurred in the tender process for this project. However this additional time has allowed the Council to select strong partners to work with in order to enhance a first class facility that will be unique in the South East. The Enhanced Coral Reef will draw in residents but also members of the public from much further afield as well as being a flagship for the Borough.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 No significant legal issues arise from the matters discussed in this report. The procurement has been carried out in accordance with the Public Contracts Regulations and the Council's Contract Standing Orders.

Borough Treasurer

- 6.2 The financial implications are set out in the confidential annex.

Equalities Impact Assessment

- 6.3 See appendix B

7. STRATEGIC RISK MANAGEMENT ISSUES

- 7.1 If the Council were not to proceed with the Coral Reef enhancement project there would be significant consequential revenue implications and a risk of reputational damage.

8 CONSULTATION

Principal Groups Consulted

- 8.1 Coral Reef Member Advisory Steering Group

Method of Consultation

- 8.2 Regular meetings held of the Coral Reef Member Advisory Steering Group

Background Papers Confidential Annex

Contact for further information

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